

**St. Mary Rehabilitation Working Group Meeting  
10:00 – 3:00 October 11, 2006  
Fort Peck Interpretive Center – Fort Peck, Montana**

**Welcome and Introductions:**

Members Present: Randy Reed, Dolores Plumage, Paul Tuss, Gary Anderson, Max Maddox, Steve Page, Michael DesRosier, Matt McCann, Bud Mavencamp, Jeff Jensen, John Lacey, Marko Manoukian,  
Staff: Larry Mires (Exec. Director), Brandi Beecher (Admin Assistant), Paul Azevedo (DNRC-Project Coordinator), John Tubbs (DNRC), Judy Edwards (MT Consensus Council)

**Information included in meeting handouts:**

- Agenda
- Draft SMRWG September 1, 2006 Meeting Notes
- Draft SMRWG September 29, 2006 Executive Committee Teleconference Meeting Notes
- Approved SMWG August 17, 2006 Teleconference Meeting Notes
- September 2006 Financial Statements

**Review and Approval of Meeting Notes**

- SMRWG approved September 1, 2006 Meeting Notes by consensus.

**Update on Senate Bill S.3563**

- Larry gave an overview on the legislative process and status of Senate Bill 3563.
- Bill was not marked up in the Senate due to time constraints. Congress adjourned on September 30.
- John Tubbs said the legislative request was a very large package. Heather Stenfanick suggested several amendments to the bill, with the hope that at least part of it would pass through the Senate.
- Congress will reconvene after the election. St. Mary/Milk River rehabilitation project has appropriations in two other bills. \$2 million is included in the Interior Appropriations Bill for the Blackfeet and Fort Belknap Tribes. \$5 million is included in the Energy and Water Appropriations Bill that will fund a feasibility study.
- Matt McCann asked if the \$5 million will cover the required EIS. John Tubbs said that we may not receive the entire \$5 million, and it may not cover the entire cost.
- Tubbs said he hopes to have a scoping meeting with BOR after the appropriation is approved.
- SMWG discussed the appropriations extensively including the need for NEPA compliance and a catastrophic failure plan.
- Randy stated his concerns that there isn't enough dollars to pay for the cost share of the rehabilitation of the project.
- Gary talked about SMWG's focus on SB 3563 and not on the House Bill. Larry said HB 5712 is currently in Committee in the House. House does not want to

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take action until the Senate takes Action. House Bill has not received any amendments.

- Seth Broesder of Representative Rehberg's office said no action has been taken. Waiting on the hurdles in the Senate, then gives opportunity to strategically push through House.
- Max questioned what will happen in the event of a catastrophic failure. Larry said he has been asking that question repeatedly and has not received an answer. Irrigators may be responsible for the project. However, BOR wants to develop a catastrophic failure plan.
- Randy P. asked how long it will take for the study to be completed? Larry feels it should take two years, some say three years and some say as long as five years. Randy says 14-15 months for Fort Belknap study.
- Paul A. added that part of the study has been completed, so it may not take as long as anticipated.

### **Debrief on September 1 Senate Field Hearing**

- Judy Edwards facilitated discussion on the SMWG efforts and concerns.
- Dolores expressed concerns about SMWG and the roll of the Tribes. SMWG is not authorized to negotiate for the Tribes. She has concerns that the SMWG did not receive a copy of a letter from Fort Belknap Tribe's President Doney dated March 17<sup>th</sup>. Added it was good to make our contacts nationwide, but need focus on issues and education for the SMWG including 638 language and hydro preference. Also added, Havre Mayor Bob Rice did a good job during the Senate Field hearing. However, he didn't represent Chinook and Harlem communities.
- Randy Reed talked about the concerns on 638. There are some very serious concerns on 638 on both sides.
- Judy agreed SMWG needs education on 638 and preference hiring that may impact the rehabilitation.
- Gary talked about the consensus process. He can see a problem that may have consensus among SMWG members, but does not have consensus from the groups represented by the members. Need a heads up that there may be problems. He was very disappointed with some of the statements given at the Senate hearing. Also, has given presentations to chambers and city councils and their comments were that they were disappointed with the bill process and all their written comments were a waste of time.
- Matt McCann commented that the end result of the hearing brought SMWG back full circle. He was surprised by Fort Belknap's comments at the hearing, but we need to address the situation. The Blackfeet have ongoing negotiations. Everyone is working hard to accommodate everyone and the St. Mary/Milk River effort ended up with a feasibility study, which will give the Blackfeet a couple years to work on their projects.
- Matt questioned if the tribal water compacts should be tied to the SMWG? Tubbs said he doesn't think they can be tied in the same legislation, because the compacts are at different stages.

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- Ruben Horseman commented that there is a need for more public education at Fort Belknap. If St. Mary's system fails, there will not be a need for a water compact because there won't be any water and people need to understand that.
- Randy R. said the Senate Hearing brought up a political roller coaster that most of the SMWG has not experienced before. It demonstrated how important it is for the members of the group to keep their constituents informed.
- Randy P. said there is a disconnect between Tribal Councils and SMWG. Councils are not comfortable working with SMWG, but are comfortable working with the Governor's office and John Tubbs. They had opposition to the first bill, but they worked through it with Tubbs. Need someone like Tubbs to work directly with the Tribes. Because of SMWG, the Fort Belknap compact has moved forward and the Blackfeet have moved forward and it is a very good thing for the Hi-line to keep going. They may not be tied together in one piece of legislation, but they are intermingled.
- John Lacey said he was very disappointed after the Senate hearing. Feels it is important to develop a contingency plan.
- Lt. Governor explained that during the Senate Field Hearing he didn't follow his script, by referencing other States successes with water projects. Said he added those comments, to say it is Montana's turn to receive funds for water projects.
- Kristina Davis of Senator Baucus' office said the Senate Hearing went better than SMWG realizes. There is politics behind the scenes. Senator Baucus is working on moving bridge project forward, working to find other funds in case Senate Bill 3563 does not pass.
- Gary commented that he was surprised by BOR's testimony during the Senate Field hearing.

### **US Senator Conrad Burns Call In**

- Senator Burns said he is working hard on authorization and appropriations for the St. Mary Project. Met with Blackfeet Tribal Council today and they still have a few concerns with their water.
- Randy R. asked if the Tribal compacts need to be in place before SMWG continues moving forward on authorization and rehabilitation? Burns said it is a challenge, and it may be required to complete the compact, but do not need compact at the federal level to continue.
- Larry asked if a catastrophic failure can be addressed in the current bill? Burns said that it will be addressed.
- Larry asked if there can be language included in the legislation requiring BOR to trigger the NEPA process? Burns said yes, the language will be included.
- Matt McCann said under the current process, if there is a failure, the irrigators are responsible for rehabilitation. Burns said he understood the irrigators concern.
- Randy said it is a grave concern without some language to address these concerns; it is a huge economic concern to all irrigators. It threatens irrigators livelihood. Must come up with a contingency plan that does not rely on the irrigators, which will allow some time to work through tribal contracts.

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- Burns said the Blackfeet are not happy with the State's effort to resolve compacting solutions. Lt. Governor Bohlinger questioned the problems, but the Senator did not give further details.
- Randy P. said that catastrophic failure would impact the Fort Belknap Water Compact.
- Senator Burns asked what would happen if there were a catastrophic failure? If the St. Mary project goes down, BOR would fix the system and would bill the irrigators at 100% of the cost in the year that it is repaired.

### **Prepare for the Future**

- Judy led a review of the process agreement goals and objectives and membership. Why come together and what should be focused on during the next year?
  - John Lacey said focus on a contingency plan in case of a catastrophic failure.
  - Max said there are problems within the SMWG and he has given 29 days to the effort this year. Said SMWG needs to step back and look at its efforts and needs to really think about the thumbs up.
  - Judy talked about the challenges of the SMWG and dealing with the sovereign entities within the process.
  - John suggested changing focus of efforts to develop a strategy to address catastrophic failure, while we continue to plan a solution to rehabilitate the St. Mary Facilities.
  - Dolores brought up that SMWG is state driven and that seems to increase conflicts for the Tribes involved.
  - Randy R. said SMWG does not have the authority but it has momentum and needs to continue to collectively work toward a workable solution.
  - Paul A. said it's not a weakness of the consensus process; it is the behind the scenes constituent issues.
  - Dolores said Tribes operate in a consensus mode; it is culture. She has continually asked for more education. Tribes feel they have been backed into a corner, and they see a lot of red flags.
- Judy led discussion on membership. Is there anyone on the SWMG that is not willing to stay? Everyone said they were willing to continue on the SMWG.
- Are there any groups that are not represented? John Tubbs said that Milk River Joint Board of Control needs someone. SMWG discussed and agreed a representative was needed from the Milk River Joint Board of Control.
- Kay said when SMWG began, there were three members of the Milk River Joint Board of Control. Max Maddox, Kevin Salsbery and Deby Merch. He will discuss SMWG representation with the Milk River Joint Board.
- Max said he tried to give a report to the Joint Board but they didn't want to hear about the SMWG during the Joint Board meeting. Max said, since he got off the Joint Board, he only attended one meeting and he should be attending more meetings. Also, Joint Board members should be attending SMWG meetings.
- Steve Page said he thinks we need to create some kind of basin authority or conservation district to operate the new facilities when they are constructed.

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- Randy R. stated under current framework, the only revenue that can be generated is from irrigators. Need to create a conservation district or basin authority to generate revenue from others that benefit from the project.
- Steve estimates there is a third of the water being used by the districts and rest is being used by others.

### Strategic Plan

- Judy began a strategic plan discussion. However, time did not allow for a complete discussion. She reported the past strategic plan has been completed and it is time to develop a new strategic plan. She asked the SMWG to keep in mind the following items on strategic planning:
  - Meetings to include education topics
  - Need of basin entity
  - Better work with constituent groups
  - Development of a contingency plan

### Future

- Larry asked the group for agreement to begin the State Legislative process to create a place holder for the upcoming legislative session that can be introduced.
- Matt McCann said it is the right thing to do.
- Steve Page suggested the creation of a conservancy district.
- Dolores questioned how the Tribes would fit into a Conservancy District? Larry said they would be included in the process.
- Lengthy discussion on the legislative place holder, and the future of SMWG.
- SMWG voted by consensus on giving Larry the authority to request a place holder with the Montana Legislature. Randy P. and Dolores voted thumb sideways.

### Executive Directors Report

- Larry discussed the two conferences that he attended in October. Next conference will be held in Sacramento, CA in November.
- October 25-27 is MT Water Resources Association in Billings.
- National Water Resources Conference is the end of November. Randy Reed and Larry will attend and need to know if the Tribe plans on attending with same agreement as last year. (SMWG paid for registration and Tribe paid for travel expenses last year.)
- Current Executive Director's position is classified as part time job, which requires full time. With the Legislative year coming up, its going to require a full time position.
- Randy questioned how much it would cost? Larry said it would be in the \$50,000-\$60,000 bracket.
- Randy asked if there is a potential for Larry to go full time for Bear Paw? Paul said it is a potential, but would need the approval of the Bear Paw Development Board of Directors.

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- Steve suggested Larry and Paul discuss the potential of full time Executive Director. And bring plan to Executive Committee.

### **Financial Report**

- Paul T. reviewed the financials.

### **Operations Report**

- Brent Espland of BOR reported storage in the Fresno basin is above average. Sherburne is at average and Nelson 88%. System was shut down September 24. Little behind where things were last year at this time.
- Brent said he hopes to be prepared to begin on the St. Mary/Milk River Project, as soon as the authority comes from Congress.
- Gary questioned if there were any problems when the system was shut down. Brent said not that he was aware of.

### **Discussion from Homeland Security**

- Randy Middlebrook, the Critical Infrastructure Program Manager from Montana Homeland Security, discussed the St. Mary/Milk River project and its relationship to Homeland Security.
- His office is in the process of analyzing economics and public safety of the St. Mary facilities.
- Department of Homeland Security is aware of the St. Mary system and are concerned about the aspects of economic impacts, loss of water to cities, as well as hospitals, nursing homes, etc.

### **Summary of Agreements**

- SMRWG approved September 1, 2006 Meeting Notes by consensus.
- SMRWG approved by consensus to give Larry the authority to request a place holder with the Montana Legislature.

### **Summary of Action Items**

- Kay Blatter will discuss the Milk River Joint Board's representation on the SMWG and report back at the next SMWG meeting.
- SMWG will think about the items that need to be included in the strategic plan, that will be discussed during the next meeting.
- Larry and Paul will discuss the potential of full time SMWG Executive Director position being employed by Bear Paw and submit a proposal pan to Executive Committee.

### **Next Meeting**

- November 15, 2006 in Havre